



4 May 2017

## RIGHTS ISSUE CLOSURE AND SHORTFALL NOTIFICATION

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### HIGHLIGHTS

- Applications for entitlements received totalling \$796,144 for 31,845,777 fully paid ordinary shares, being 56% of the maximum number of shares offered.
  - Demand for the shortfall received. Potential further proceeds to the Company from placing the shortfall shares amounts to \$616,329, before costs.
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Allegiance Coal Limited (**Allegiance** or the **Company**) advises that its recent pro-rata non-renounceable rights issue closed on Monday 1 May 2017 with valid applications for entitlements received totalling \$796,144 for the application of 31,845,777 fully paid ordinary shares. These results are subject to any cheque dishonours.

### Effect of Rights Issue on Capital Structure and Shortfall Notification

EVENT	NO. OF SHARES
Shares currently on issue	169,496,303
Maximum shares offered under the rights issue	56,498,932
Entitlement shares validly applied for under rights issue	31,845,777
Shortfall shares after completion of rights issue	24,653,155

The Company will issue and allot all entitlement shares applied for by shareholders in line with the rights issue timetable as disclosed in the Prospectus.

The number of shares on issue in Allegiance after the issue of shares subscribed for under the entitlement offer will be 201,342,080 (subject to any cheque dishonours).

The Company received demand for the shortfall during the Prospectus offer period and the Directors have reserved the right to place any shortfall arising under the offer at their discretion no later than three months after the closing date of the offer. The potential further proceeds to the Company from placing the shortfall shares amounts to \$616,329, before costs (assuming all shortfall shares are placed). The Company will make further announcements in this regard in due course.

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**About Allegiance Coal**

Allegiance Coal is a publicly listed (ASX:AHQ) Australian company fast tracking a metallurgical coal mine into production in British Columbia, Canada. The Telkwa metallurgical coal project (**Project**) is the Company's flagship project comprising 165Mt of JORC compliant coal resource and has been the subject of extensive historical exploration. Located 1,000 km north of Vancouver, the Project sits uniquely on the western side of British Columbia, immediately adjacent to a major Canadian National Rail line, with a 360 km rail haul to the deep water port of Prince Rupert and Ridley Island Coal Terminal. British Columbia has one of Canada's and North America's most competitive, flexible and supportive business climates. Consistently receiving AAA credit ratings, its vast resources, low taxes, stable and well regulated financial system and Government, makes for a wonderful country in which to invest.

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